

From: Steve Schneider
To: WHEDBERG
Date: 4/3/98 11:37am
Subject: Corrections to Utelite Financials

In my review of Utelite Corporation's 1997 financial statements per your request, several errors totaling over \$1.7 million were identified with one of the schedules. After a couple phone calls with Utelite's CPA's this morning (Lynn Carlson & Co.), they have now acknowledged the errors and will be sending in corrected statements to the Division by fax.

I expect the financial statement review will be completed by approximately the end of April. As advance warning, Utelite's operation became unprofitable in 1997. During the previous 8 years of our financial reviews, Utelite's net income averaged \$421K. The 1997 loss was (\$387K).

CC: TGALLEGO, JBAZA